

## **February 8, 1994, Retro Advisory Committee Meeting:**

### **In Attendance:**

Joe Hawkins	Ray Poe
Donna Ganders	Scott Croucher
Rise Glaze	Jim Nunn
	Mike Sotelo

### **Guests:**

Jay Seeley, Timber Operators Council  
Bill White, Senior Actuary, L&I  
Myrna North, Risk Management Services, L&I

### **Theresa Whitmarsh, Assistant Director for Insurance Services**

Theresa provided the committee members with Mark Brown's vision/challenges for Insurance Services for '94. Ten key challenges were discussed:

- 1) Keep State Fund solvent/competitive
- 2) Business community is skeptical of our success--see our premiums on upward spiral--don't see what their buying. Must restore confidence.
- 3) Expand Worksafe '90 models, Retro programs, including targeted industries initiatives.
- 4) Give a face to community-based claims management.
- 5) Make Long Term Disability Task Force pilots work.
- 6) Figure out how to keep from losing more attending physicians.
- 7) Multi Chemical Sensitivity big issue, stay ahead of the crowd on this issue.
- 8) Health Care Reform--consolidation and managed care pilots.
- 9) Keeping rate increases at or below inflation in each of next three years.
- 10) Agency request legislation. Statutory changes to Title 51 to 1995 Legislature.

Theresa also advised the department is hiring a project manager to assist Doug Connell on claims issues and making resolutions a reality.

Scott advised the committee is working on assisting the department on attaining additional resources to assist the Retro claims management consultants (proposal still pending). Theresa had indicated there are no new positions available however may be able to re-direct the resources.

### **1994 Legislative Issues - Marty Mulcahey:**

Marty indicated the department introduced 12 bills--have been merged/purged to 8 or 9. He also provided a handout listing the bills and discussed the information within.

## **Retained Refunds - Bill White**

Retained Refunds -- Our Prorata systems / association's merit allocations. When an adjustment takes place and an association's member is entitled to a refund however owes industrial insurance premium (debt occurred within the coverage year), the adjustment process calculates how much is retained and the remaining is provided to the association. Donna Ganders indicated it would be a service for the department to refund the total and allow the associations to make their calculations and return to the department the difference to apply towards the employer's outstanding industrial insurance premium.

Bill indicated this was not administratively possible. The department had tested merit system allocation and it turned out to be a nightmare as every association would have their own formula. Kathy also provided the internal auditors probably would not grant this authority for the department to release refunds when an employer owes Ind. Ins. premium.

## **1994 Retro Conference**

Ray Poe had indicated he has a contact that can coordinate the 1994 Retro Conference. This would alleviate a lot of "grunt" work for the advisory members. Ray will discuss needs and prices.

The committee was provided the statistics for Retro employers in eastern Washington. 377 employers enrolled in groups, 156 individuals. 533 Total. The committee then discussed the potential for associations to invite their members and compared to last year, how many of their members attended. The general feeling was to not have a conference on the eastside due to the number of potential attendees and the cost to provide a conference.

It was suggested to possibly have a break out session on Retro at the Governors Safety Conference as a plug to the Retro Conference.

Kathy Kimbel indicated she would find out when the rate hearings are to be held.

## **Progress and Problems**

Kathy Kimbel indicated she had a proposal from one of the associations recommending continuous enrollment. This would alleviate having to have their members submit an annual application. The committee members opposed the recommendation.

UBI concept--Kathy proposed to use UBI numbers for history and tracking purposes for Retro enrollment. The committee concurred.

The members consented to adding account ID numbers to prospective membership rosters.

The members also agreed to place their contracts in numerical order prior to submitting them to the department. This would alleviate numerous hours research now takes to do this task.

Kathy proposed to reinstate the newsletter. These could be provided in either the monthly or quarterly reports.

There were concerns about the timelines of the quarterly report. Indicating the adjustment takes place so close to the quarterly they (employers/regs/associations) don't have enough time to take necessary actions on claims.



**Agenda Item for Next Meeting:**

Invite someone from case reserve to next meeting.

Would like further information on how the LDFs (Loss Development Factor) are calculated.

More information on stop loss insurance.

Have the MBA (Master Business Application) process explained.

Solicitation for the individual committee member vacancy.

**The Retro Advisory Committee meetings are held bi-monthly on the SECOND TUESDAY.** Next meeting scheduled for Tuesday, April 12, 1994, from 9:00 a.m. till 12:00 p.m., L&I Headquarters, conference room S118.

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